

To the Members of the California State Assembly:

I am returning Assembly Bill 1129 without my signature.

I am supportive of providing additional flexibility for small rural jurisdictions to participate in the Local Housing Trust Fund program by reducing the minimum participation level and allowing flexibility for local governments to provide dedicated fee revenue in lieu of a one-time match. However, the bill is silent on when local governments may expend state funds that are on deposit awaiting local matching funds. Allowing local governments to expend state funds without the accompanying local matching funds undermines the purpose of a matching grant program.

For these reason, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger